

Personal Income by States, 1963

Most States Share in Expansion

INDIVIDUAL incomes rose in nearly every State last year as the country's economy expanded for the third consecutive year since the 1960 recession. Nationally, personal income totaled \$461 billion in 1963, an increase of \$21 billion, or 5 percent, over the previous year.¹

The largest regional gains were scored in the Mideast (\$4.8 billion), the Great Lakes and Southeast (\$4.3 billion each), and the Far West (\$3.8 billion). The dollar advance of these four regions accounted for about four-fifths of the overall national rise. In percentage terms, the Southeast and Far West experienced the largest increases, with 1963 aggregates in these regions up 6 percent over 1962. Above-average gains were general among the industries of both the Southeast and Far West.

Individual States with largest percentage gains were Nevada (13), Mississippi (9), and Arkansas (8). In Nevada, sharp gains in nearly every industry were responsible for the pace-setting increase. In the other two States, exceptionally large expansions in income from agriculture and manufacturing provided the main impetus. In three States, North Dakota, South Dakota, and Nebraska, personal income in 1963 was less than in the preceding year, while in four others, Montana, Idaho, Washington, and Kansas, the increase was no more than 1 or 2 percent. In the remaining States, the personal income advance was comparatively uniform—within 2 percentage points of the 5 percent national rate of increase.

Per capita personal income

Per capital personal income was at a record high of \$2,443 last year. This amounted to an increase of 77 dollars, or 3 percent, over the 1962 average of \$2,366. State-by-State per capita incomes varied from \$3,372 in Nevada to \$1,379 in Mississippi. After Nevada, the States with highest per capita incomes included Delaware (\$3,250), Connecticut (\$3,162), New York (\$3,000), California (\$2,980), Illinois (\$2,945), and New Jersey (\$2,900). In the District of Columbia, average incomes were \$3,398 last year.

Industrial developments

State deviations from the national rate of change were very pronounced within agriculture and manufacturing. These differences, when coupled with the varying importance of these two industries in the economy of the several States, were mainly responsible for the differential rates of change in total income from 1962 to 1963.

Nationally, income from agriculture was 3 percent less in 1963 than in 1962. This reflected decreased receipts from livestock, a slight increase in crop receipts and moderately higher production expenses. Geographically, farm income exhibited its usual volatility with shifts ranging from an increase of one-third in Mississippi to a decrease of more than two-fifths in North Dakota.

In two of the three States which had the largest income gains last year, increases in agricultural incomes were directly responsible. In Mississippi and Arkansas a bumper cotton crop was the major element in the sharp upturn. In several States in the Plains and Rocky Mountain regions, total income declined, or rose only a little, as receipts from wheat, hay, and livestock fell

sharply last year. In the Dakotas and Nebraska, which had scored top gains in 1962, the drop in farm income was sufficient to reduce personal income below 1962 levels. In Montana and Kansas the decline in agricultural income was not so great, and total income increased a little.

Earnings of persons engaged in manufacturing were up 4 percent in 1963. Among individual industries, however, differences ranged from little or no change in several nondurable goods industries to an increase of approximately one-twelfth in the transportation equipment industry. Earnings of persons in most of the defense-oriented industries were up 5 percent or more last year.

The defense industries in the Southeast region as a whole, and in several other States, such as North Dakota, Arizona, and Nevada, experienced above-average increases in factory payrolls and were responsible for the leading gains in manufacturing earnings in these areas last year.

Personal income grew less rapidly in the Mideast and New England than in the country as a whole. In the latter region, declines in defense contracts, as well as the departure of certain soft goods manufacturing facilities, had a dampening effect on the increase in factory payrolls. Among the Great Lakes States, factory earnings in Michigan were up 8 percent due primarily to another good year in automobile production. As a result, personal income in the State rose at a faster pace than in the Nation. Cutbacks in defense-space expenditures limited the rise in manufacturing earnings in the Far West last year, particularly in California and Washington.

Apart from regional changes in agriculture and manufacturing, there were some important shifts in construction earnings. The changes differed signifi-

¹ Estimates of personal income by States for all years may be found in the following publications of the Office of Business Economics: "Personal Income by States Since 1920," a supplement to the Survey of Current Business, which contains estimates of total income for the years 1929-63 and of per capita income for the period 1929-60. Estimates of total income since 1963 and of per capita income 1960-63 are contained in the August 1963 issue of the Survey. Revised per capita figures for 1960-61 may be found in table 2, page 21, this issue.

cantly in several States where work on government contracts was either starting or terminating. Highway projects in the eastern and central parts of the country also affected construction activity in several States. States with major increases in construction last year included Delaware (16 percent), Michigan (14 percent), Virginia (15 percent),

Mississippi (15 percent), Oregon (14 percent), and Nevada (38 percent). Those with large declines included South Dakota (-18 percent), Arizona (-13 percent), and Idaho (-32 percent). In each of these States, the impact of changes in construction activity on total income change was significant.

The State estimates of personal income included here for 1963 are preliminary. The regular series, based on more complete data and adjusted to any revisions of the currently published totals, will be presented in the usual industrial-source and type-of-income detail in August 1964 issue of the SURVEY OF CURRENT BUSINESS.

Table 1.—Total and Per Capita Personal Income, by States and Regions, 1962-63

Table 2.—Percent Changes in Industrial Sources of Personal Income, by States and Regions, 1962-63¹

State and region	Table 1						Table 2									
	Total personal income			Per capita personal income			Total	Farms	Mining	Contract construction	Manufacturing	Wholesale and retail trade	Finance, insurance, and real estate	Transportation, communication and public utilities	Services	Government ¹
	Amount (million dollars)	Percent change 1962 to 1963		Amount (dollars)	Percent of national average 1963											
United States.....	439,661	460,580	6	2,366	2,443	100	5	-3	1	6	4	4	5	3	6	8
New England.....	28,428	29,854	5	2,665	2,754	113	4	-4	1	6	1	4	4	4	4	8
Maine.....	1,015	1,072	6	1,068	2,006	82	2	-1	0	-1	1	2	4	4	4	7
New Hampshire.....	1,304	1,444	11	2,241	2,303	94	3	-10	0	-2	0	6	5	4	5	7
Vermont.....	782	816	4	2,021	2,062	80	4	-6	-2	4	0	4	4	4	3	8
Massachusetts.....	14,200	14,870	5	2,764	2,840	117	3	-1	3	8	0	0	4	4	5	8
Rhode Island.....	2,042	2,122	4	2,237	2,308	95	2	6	0	7	0	4	4	4	5	6
Connecticut.....	8,423	8,488	6	2,050	2,162	129	6	-1	-1	8	4	5	4	4	7	8
Midwest.....	106,435	113,183	6	2,730	2,816	115	4	3	2	3	3	3	3	3	6	8
New York.....	50,085	53,120	6	2,014	2,060	129	4	14	2	2	3	3	3	3	6	7
New Jersey.....	18,032	18,780	4	2,887	2,900	119	4	-2	0	3	3	5	4	4	6	8
Pennsylvania.....	26,887	27,922	4	2,382	2,444	100	4	18	1	3	3	3	3	3	5	7
Delaware.....	1,458	1,447	0	2,116	2,240	130	7	-13	0	16	0	0	1	1	2	7
Maryland.....	8,502	9,134	7	2,093	2,278	111	7	-11	3	8	4	7	3	4	10	9
District of Columbia.....	2,524	2,712	7	3,199	3,303	139	0			5	5	5	5	4	10	12
Great Lakes.....	92,731	97,654	5	2,617	2,687	107	5	-2	1	6	5	4	4	4	6	8
Michigan.....	30,307	30,620	1	2,405	2,423	103	7	5	1	14	8	4	5	4	7	8
Ohio.....	24,150	25,283	5	2,490	2,483	102	5	4	3	5	5	2	4	4	6	8
Indiana.....	11,008	11,819	8	2,374	2,470	101	6	4	1	12	5	6	4	3	6	8
Illinois.....	28,844	29,854	3	2,858	2,945	121	4	-4	1	1	4	4	3	3	6	8
Wisconsin.....	9,341	9,667	3	2,224	2,290	97	4	-10	-10	6	4	4	3	3	6	8
Plains.....	35,283	36,361	3	2,373	2,381	95	3	-10	-2	4	6	4	4	4	6	8
Minnesota.....	7,770	8,162	5	2,245	2,338	105	5	17	-7	4	3	3	3	3	4	8
Iowa.....	6,078	6,322	4	2,191	2,274	103	4	-2	-2	10	7	3	3	3	4	8
Missouri.....	10,362	10,853	5	2,401	2,506	103	5	-6	8	13	6	4	4	4	5	8
North Dakota.....	1,440	1,287	-12	2,306	2,030	83	-15	-44	-2	2	28	0	4	0	0	0
South Dakota.....	1,389	1,424	-4	2,036	1,922	79	-10	-18	6	-18	0	3	1	0	0	0
Nebraska.....	3,260	3,248	-1	2,330	2,293	94	-3	-21	-10	-1	1	3	3	3	3	7
Kansas.....	4,646	4,865	2	2,109	2,231	91	2	-4	0	-2	1	0	3	0	7	7
Southeast.....	69,995	74,383	6	1,740	1,819	74	7	5	2	6	7	4	4	4	8	8
Virginia.....	8,428	8,946	6	1,084	1,096	85	4	-20	4	15	4	4	4	4	11	8
West Virginia.....	3,210	3,329	4	1,787	1,872	77	4	-10	2	5	5	3	3	3	4	8
Kentucky.....	6,270	6,456	3	1,711	1,789	73	4	1	3	10	7	0	0	2	2	8
Tennessee.....	8,182	8,600	5	1,094	1,176	78	7	14	2	7	7	5	5	4	6	8
North Carolina.....	8,182	8,630	5	1,742	1,818	74	7	-2	-18	8	0	6	6	6	9	8
South Carolina.....	2,762	2,833	3	1,537	1,584	65	7	-7	8	1	5	5	5	5	7	7
Georgia.....	7,213	7,729	7	1,707	1,866	70	7	-3	10	9	9	8	8	8	9	8
Florida.....	11,188	11,833	6	2,054	2,111	80	7	0	7	8	7	6	6	6	0	8
Alabama.....	5,201	5,543	7	1,688	1,800	68	7	1	-10	7	7	6	5	5	11	8
Mississippi.....	2,880	3,168	10	1,278	1,370	60	11	30	6	15	8	5	3	3	7	8
Louisiana.....	5,078	5,443	7	1,684	1,708	72	6	25	3	10	4	4	4	4	7	8
Arkansas.....	2,742	2,970	8	1,480	1,508	66	10	22	0	7	10	6	5	5	8	7
Southwest.....	30,048	31,784	6	1,806	1,827	83	4	-12	0	2	5	4	4	4	6	8
Oklahoma.....	4,084	4,859	19	1,006	1,063	80	4	0	1	4	4	4	2	4	6	7
Texas.....	26,304	27,118	3	2,012	2,040	84	3	-10	0	0	5	4	4	4	6	8
New Mexico.....	1,800	1,931	7	1,806	1,887	77	3	0	-5	0	0	0	3	-1	8	8
Arizona.....	3,164	3,397	7	2,120	2,116	87	4	-13	1	-13	11	7	4	0	8	8
Rocky Mountain.....	16,240	16,551	2	2,237	2,214	92	3	-8	1	-4	6	4	5	4	6	8
Montana.....	1,808	1,883	4	2,246	2,230	92	0	-14	8	-2	2	2	1	2	6	8
Idaho.....	1,358	1,379	2	1,894	1,934	79	1	0	1	-32	0	7	1	1	6	8
Wyoming.....	700	818	17	2,330	2,427	98	4	12	0	0	3	4	1	0	0	8
Colorado.....	4,890	4,978	2	2,385	2,390	98	3	-10	0	3	4	6	3	3	6	7
Utah.....	2,015	2,003	-1	2,103	2,120	97	4	-13	-6	-3	5	6	5	6	6	8
Far West.....	62,105	65,802	6	2,788	2,888	118	4	-2	3	11	8	8	5	5	8	7
Washington.....	7,471	7,930	6	2,483	2,605	103	2	-2	3	0	1	2	4	4	2	8
Oregon.....	4,349	4,609	6	2,467	2,516	108	2	-2	10	14	0	4	4	4	4	8
Nevada.....	1,098	1,241	13	2,137	2,372	138	14	12	0	35	17	18	24	13	4	7
California.....	48,787	52,419	7	2,688	2,862	122	4	-2	3	11	6	8	8	8	8	7
Alaska.....	850	908	7	2,711	2,810	110	7	0	1	3	0	6	13	4	4	12
Hawaii.....	1,808	1,978	9	2,408	2,470	101	4	2	0	3	4	5	4	4	0	8

1. Consists of wage and salary disbursements, other labor income, and proprietors' income.
2. Does not include earnings of military personnel.

NOTE.—United States totals include Alaska and Hawaii.
Source: Office of Business Economics, U.S. Department of Commerce.